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Businessmen's Expectations

V-21 No. 1

C 3150-6

BUSINESS OPTIMISM CONTINUES TO SAG BUT DOES NOT FALL TO '75 DEPTH

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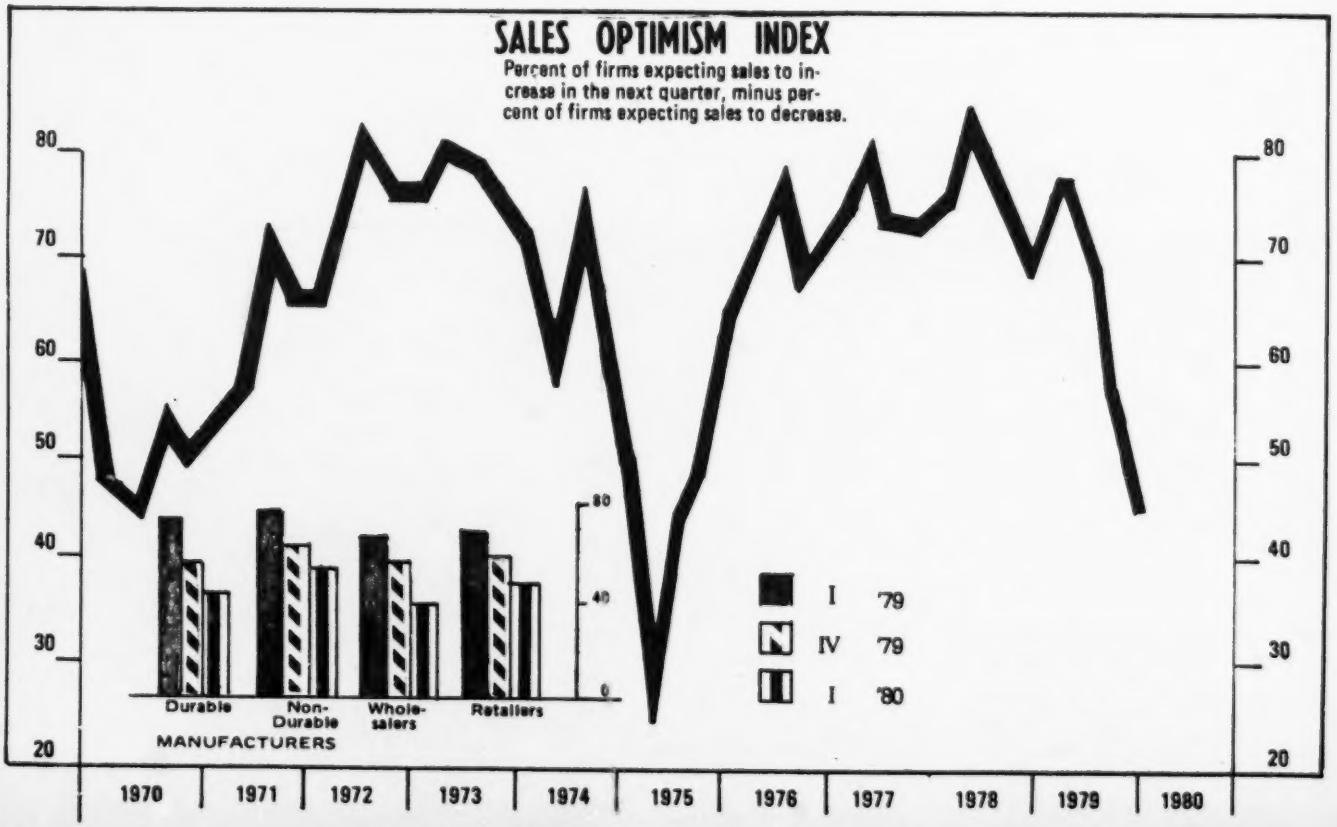
JAN 31 1980

NEW YORK, January 28--Although ebbing for the third straight quarter, business optimism still remained at a considerably cheerier level than in 1975, according to the latest Dun & Bradstreet Survey of Business Expectations. The 1,382 executives interviewed about their outlook for the initial quarter of 1980 lowered their sights on sales and profits but did not shift materially their views on employment and prices.

The Sales Optimism Index (the percentage expecting increases minus the percentage expecting decreases) dropped 12 points to 44, the lowest reading since the second quarter of 1975 when the index plummeted to 24. This decline to a five-year low prevailed across the board--in manufacturing, wholesaling and retailing. But the degree to which confidence waned between the fourth quarter of 1979 survey and the first quarter 1980 survey varied,



reflecting different reactions to what has been termed one of the longest slowdowns yet one of the mildest recessions in our economy to date. Wholesalers' optimism sagged the most, 17 points to 39, whereas manufacturers of non-durable goods showed the smallest dip, a six-point easing to 55.

Hopefulness about the bottom line did not erode as much as about sales. The Profits Optimism Index was down 8 points to 32 but still doubled its reading of 16 in the second quarter of 1975. Again, wholesalers showed the gloomiest turn. Executives in non-durable goods manufacturing held firm to their predictions in the previous round of interviews and retailers lowered their sights only slightly.

No doubt the greater optimism of non-durable goods manufacturers than of those in durable goods industries stemmed from the fact that only 8 per cent expected a decrease in new orders as against 20 per cent of the durable goods makers.

A cautious attitude about inventory accumulation prevailed generally. The percentage of executives foreseeing an increase in stocks eased to 43 per cent, the smallest portion in two years while the percentage anticipating a cutback rose to 20 per cent, the most in four years. Contrary to this trend, an edge more non-durable goods manufacturers looked for an increase in inventories, 49 per cent vs. 47 per cent in the preceding survey and fewer looked for curtailment, 12 per cent vs. 16 per cent.

Nearly three-fourths of the business leaders interviewed anticipated no change in employee rosters. This over-all figure has held steady for five consecutive quarters. Expectations of adding to payrolls were less frequent, at 18 per cent, than in the first quarter a year ago when 23 per cent held this view, with the most noticeable downturn among retailers and durable goods manufacturers.

3. BUSINESS EXPECTATIONS

SURVEY OF BUSINESS EXPECTATIONS
Conducted by Dun & Bradstreet

WHAT BUSINESS EXECUTIVES EXPECT FOR THE
FIRST QUARTER OF 1980 COMPARED WITH THE FIRST QUARTER OF 1979

(Interview Period: November 12-23, 1979)

			All Concerns	Total Manufacturers	Manufacturers Durables	Manufacturers Non-Durables	Wholesalers	Retailers
	Number Reporting		1382	716	526	190	403	263
Net Sales	Per Cent Reporting	(Increase	60	61	60	63	57	62
		(No Change	24	24	22	29	25	22
		(Decrease	16	15	18	8	18	16
	Number Reporting		1349	698	510	188	394	257
Net Profits	Per Cent Reporting	(Increase	49	51	51	52	46	49
		(No Change	34	32	30	38	36	35
		(Decrease	17	17	19	10	18	16
	Number Reporting		1378	714	522	192	404	260
Selling Prices	Per Cent Reporting	(Increase	79	76	76	78	82	83
		(No Change	19	22	22	21	15	14
		(Decrease	2	2	2	1	3	3
	Number Reporting		1365	706	518	188	398	261
Level of Inventories*	Per Cent Reporting	(Increase	43	44	42	49	42	43
		(No Change	37	36	35	39	36	38
		(Decrease	20	20	23	12	22	19
	Number Reporting		1393	720	529	191	408	265
Number of Employees*	Per Cent Reporting	(Increase	18	21	22	19	14	13
		(No Change	73	68	65	76	80	79
		(Decrease	9	11	13	5	6	8
	Number Reporting			678	500	178		
New Orders	Per Cent Reporting	(Increase		49	49	49		
		(No Change		34	31	43		
		(Decrease		17	20	8		

*End of Quarter.

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Business Economics Division

FOR RELEASE:
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Business Expectations

V-21 No. 2

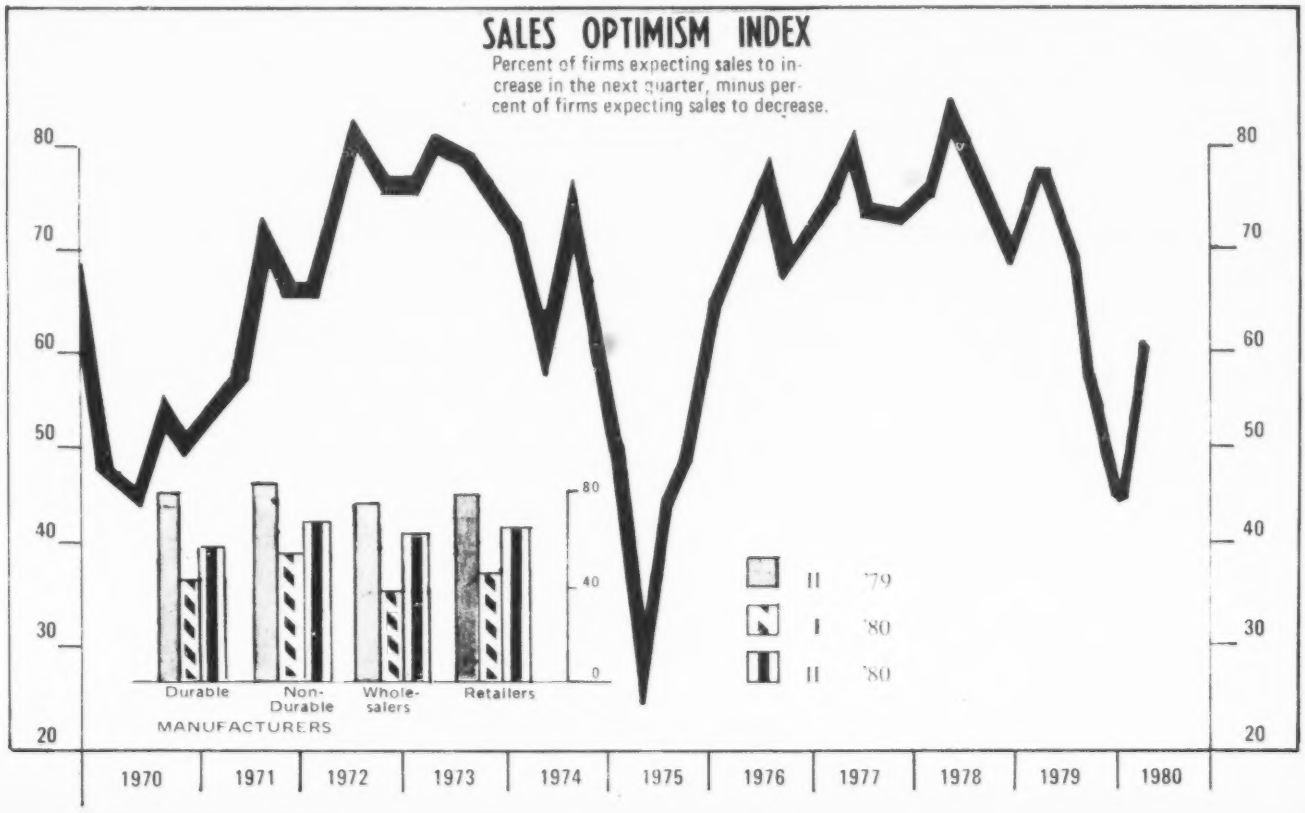
4/20/80

C 3150-4 U

BUSINESS OPTIMISM PERKS UP IN LATEST D&B EXPECTATIONS SURVEY

NEW YORK, April 17--Business optimism has perked up considerably from the sag begun midway in 1979, according to the latest Dun & Bradstreet Survey of Business Expectations. Among the 1,499 executives interviewed about prospects for 1980's second quarter, strengthening confidence was noted in regard to sales, new orders and profits. However, their views on inventories and prices dimmed.

The Sales Optimism Index (the percentage expecting increases minus the percentage expecting decreases) climbed 17 points to 61 but did not recover to the 69 registered in the third quarter of 1979. Wholesalers showed the greatest growth in confidence from the preceding survey, a jump of 21 points. While manufacturers of non-durable goods were by far the most cheerful about sales a quarter earlier, this time retailers and wholesalers registered indexes of 62 and 61, pulling close to the 66 for the non-durable goods makers.



Executives in durable goods industries, on the other hand, despite a brightening of their predictions about sales prospects by some 14 points, still lagged 23 points under the degree of optimism registered a year ago.

Confidence lifted also about the bottom line, with the Profits Optimism Index moving up 14 points to 46. Wholesalers and retailers sparked this rise although executives across the board raised their sights on profits.

Three out of five manufacturers looked for an acceleration in new orders. This compared with one out of two in the preceding survey. While durable goods makers, to the tune of 61 per cent, were more hopeful about bookings, still 14 per cent of them predicted a decrease in contrast to only 3 per cent of the non-durable goods manufacturers.

The outlook of the executives interviewed worsened in regard to inventories. Slightly more than half expected a build-up of inventories vs. 43 per cent in the survey a quarter earlier. This increase was largely confined to wholesalers and retailers. Actually, there was little shift over-all from the opinions voiced in the corresponding 1979 survey. Whereas fewer manufacturers anticipated heavier stocks, they were counterbalanced by more wholesalers and retailers foreseeing a growth in inventories.

Expectations about employment improved slightly. The proportion of those polled who predicted no change in rosters remained at 73 per cent for the sixth straight quarter. But, more of the executives, particularly in retailing, anticipated additions to their payrolls, and fewer, notably in durable goods manufacturing, anticipated a cut in rosters.

Further price increases were predicted by 82 per cent of the survey participants, the most since the latter half of 1974. The proportion looking for higher price tags ranged from 89 per cent of the retailers down to 80 per cent of the durable goods manufacturers.

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3. BUSINESS EXPECTATIONS

SURVEY OF BUSINESS EXPECTATIONS
Conducted by Dun & Bradstreet

WHAT BUSINESS EXECUTIVES EXPECT FOR THE
SECOND QUARTER OF 1980 COMPARED WITH THE SECOND QUARTER OF 1979

(Interview Period: February 7-22, 1980)

			All Concerns	Total Manufacturers	Manufacturers Durables	Manufacturers Non-Durables	Wholesalers	Retailers
	Number Reporting		1499	736	480	256	460	303
Net Sales	Per Cent Reporting	(Increase	70	69	68	70	69	73
		(No Change	21	22	20	26	22	16
		(Decrease	9	9	12	4	9	11
	Number Reporting		1452	718	469	249	448	286
Net Profits	Per Cent Reporting	(Increase	58	58	56	61	57	60
		(No Change	30	31	30	33	31	28
		(Decrease	12	11	14	6	12	12
	Number Reporting		1500	740	481	259	459	301
Selling Prices	Per Cent Reporting	(Increase	84	81	80	82	87	89
		(No Change	14	18	18	17	11	8
		(Decrease	2	1	2	1	2	3
	Number Reporting		1490	735	481	254	454	301
Level of Inventories*	Per Cent Reporting	(Increase	52	48	47	50	54	56
		(No Change	35	38	37	39	34	29
		(Decrease	13	14	16	11	12	15
	Number Reporting		1498	741	482	259	458	299
Number of Employees*	Per Cent Reporting	(Increase	20	22	23	20	15	19
		(No Change	73	71	70	74	79	70
		(Decrease	7	7	7	6	6	11
	Number Reporting			697	457	240		
New Orders	Per Cent Reporting	(Increase		60	61	57		
		(No Change		30	25	40		
		(Decrease		10	14	3		

*End of Quarter.

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Business
Expectations

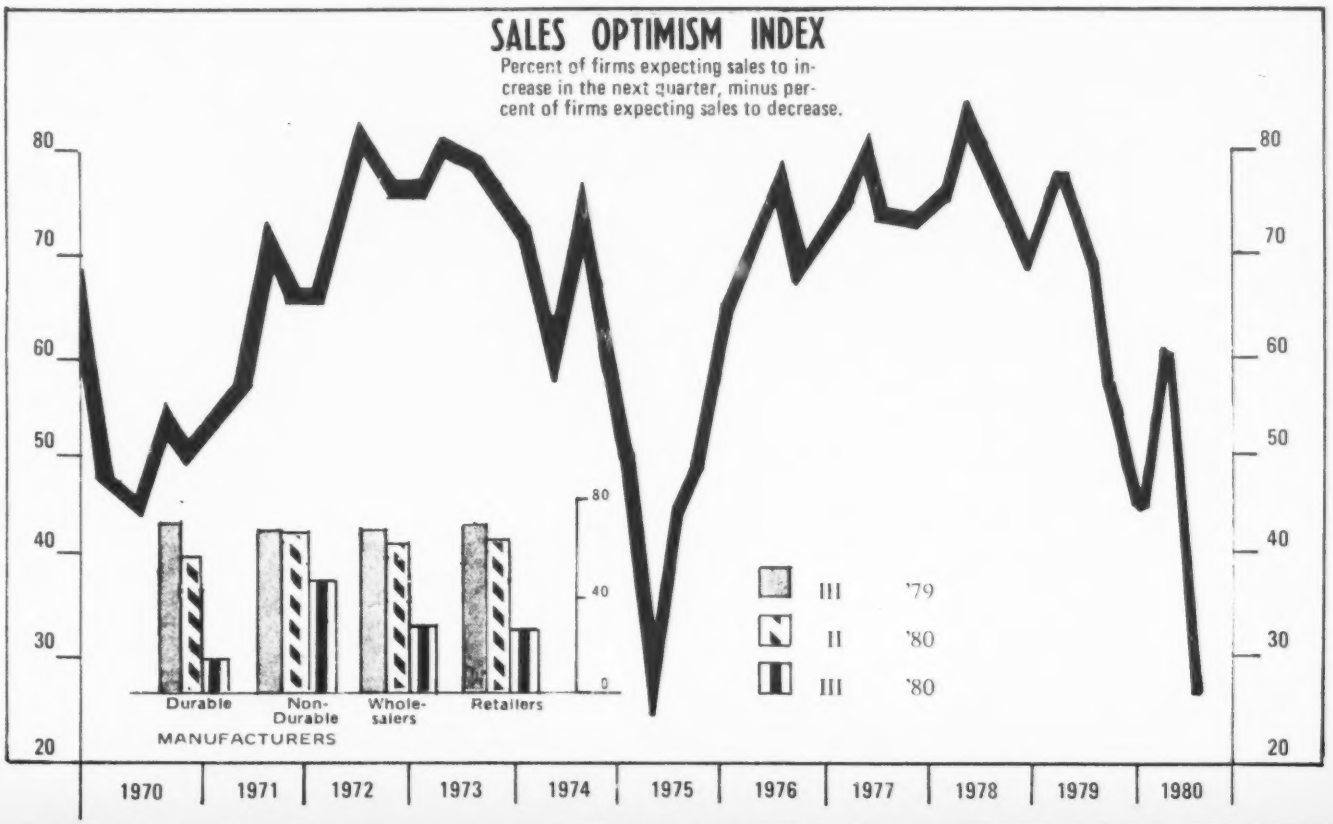
V-21 No. 3

7/18/80
C 3150-4 U

BUSINESS OPTIMISM SINKS LOWEST SINCE '75
BUT NOT AS GLOOMY AS '58 ACCORDING TO D&B SURVEY

NEW YORK, July 16--Business optimism about sales and profits, tumbled to the lowest level since 1975 according to Dun & Bradstreet's latest Survey of Business Expectations. Some 1,429 executives were interviewed about their outlook for the third quarter of 1980. Clearly, the renewed confidence shown in the preceding survey was short-lived. While the views of the business leaders about sales prospects were gloomier than in 1961, they were not as dismal as in earlier recessions such as 1958, 1954, and 1949.

The Sales Optimism Index (the percentage expecting increases minus the percentage expecting decreases) plunged 35 points to 26 for the third quarter from the reading of 61 in the second quarter. This was its lowest ebb since the second quarter of 1975 when it stood at 24. Among manufacturers of durable goods, optimism dropped most severely, 45 points to 11, the dimmest level since the 6 reached in the second quarter of 1958. In



contrast, manufacturers of non-durable goods showed the least moderation in confidence, down to 47 from 66.

A somewhat milder sag prevailed in regard to profits as the Profits Optimism Index fell 28 points to 18 but held an edge above the 16 registered in 1975. Again, the executives in durable goods industries showed the greatest loss of confidence, their reading of 9 was only one-half the 18 for wholesalers and retailers and approximately one-fourth of the index of 35 registered for makers of non-durable goods.

Forty-two per cent of the manufacturers anticipated an increase in new orders, down from 60 per cent in the preceding quarter but not far below the 49 per cent in the initial quarter of 1980. While predictions about bookings did not vary appreciably from comparable periods in 1975 and 1961, they were slightly more hopeful than in the middle quarters of 1958 when only 36 to 38 per cent looked for a rise in orders. Over twice as many executives in durable goods as in non-durables expected bookings to dwindle, 35 per cent vs. 15 per cent.

Involuntary accumulation of inventories does not appear to loom in the projections of the executives interviewed. The percentage expecting a build-up in stocks was down to 35 per cent from 52 per cent in the previous survey. Among manufacturers of durable goods, those foreseeing a decline in inventories exceeded those foreseeing a rise, 37 per cent as against 29 per cent. This was a marked contrast to the situation in non-durable goods industries where 43 per cent predicted an increase and 18 per cent a decrease. As for retail and wholesale executives, over one-third anticipated inventory growth and slightly over one-fourth anticipated lower stocks.

On employment, as on sales and profits, optimism dimmed the most since '75. Only 14 per cent of the business leaders interviewed expected to add to payrolls, the fewest since the second quarter of 1975 when 13 per cent held this view. Furthermore, there was a close consensus among manufacturers, wholesalers and retailers about adding to employee rosters, 15 per cent in both manufacturing categories, 16 per cent in retailing, and 11 per cent in wholesaling. Not surprisingly, with the slump in the automotive and housing

industries spreading to other consumer hard goods, the percentage of durable goods makers expecting to cut back on employees jumped sharply to 27 per cent in the third quarter from 7 per cent a quarter earlier and the highest since 1949-50.

For the first time in over two years, the business executives moderated appreciably their sights on prices. Whereas 84 per cent had looked for an upward spiral in the second quarter, the proportion shrank to 73 per cent in regard to third quarter price tags, the smallest number since the first quarter of 1978. Most of the shift in opinion was from predictions of an increase to predictions of no change. However, the portion of durable goods makers anticipating a decrease in prices grew to 5 per cent, the most since 1975, but remained short of the 8 per cent in second quarter of 1958.

3. BUSINESS EXPECTATIONS

SURVEY OF BUSINESS EXPECTATIONS
Conducted by Dun & Bradstreet

WHAT BUSINESS EXECUTIVES EXPECT FOR THE
THIRD QUARTER OF 1980 COMPARED WITH THE THIRD QUARTER OF 1979

(Interview Period: May 5-19, 1980)

			All Concerns	Total Man-ufacturers	Manufacturers Durables	Manufacturers Non-Durables	Whole-salers	Retail-ers
	Number Reporting		1429	770	491	279	403	256
Net Sales	Per Cent Reporting	(Increase	51	50	44	61	52	51
		(No Change	24	24	23	25	25	25
		(Decrease	25	26	33	14	23	24
	Number Reporting		1394	748	483	265	388	258
Net Profits	Per Cent Reporting	(Increase	43	44	39	52	41	43
		(No Change	32	31	31	31	36	32
		(Decrease	25	25	30	17	23	25
	Number Reporting		1418	757	485	272	401	260
Selling Prices	Per Cent Reporting	(Increase	73	70	67	74	77	74
		(No Change	23	26	28	22	20	21
		(Decrease	4	4	5	4	3	5
	Number Reporting		1420	762	488	274	400	258
Level of Inventories*	Per Cent Reporting	(Increase	35	34	29	43	35	38
		(No Change	36	36	34	39	39	33
		(Decrease	29	30	37	18	26	29
	Number Reporting		1435	770	491	279	408	257
Number of Employees*	Per Cent Reporting	(Increase	14	15	15	15	11	16
		(No Change	68	63	58	73	77	68
		(Decrease	18	22	27	12	12	16
	Number Reporting			706	458	248		
New Orders	Per Cent Reporting	(Increase		42	37	52		
		(No Change		30	28	33		
		(Decrease		28	35	15		

*End of Quarter

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Business Expectations

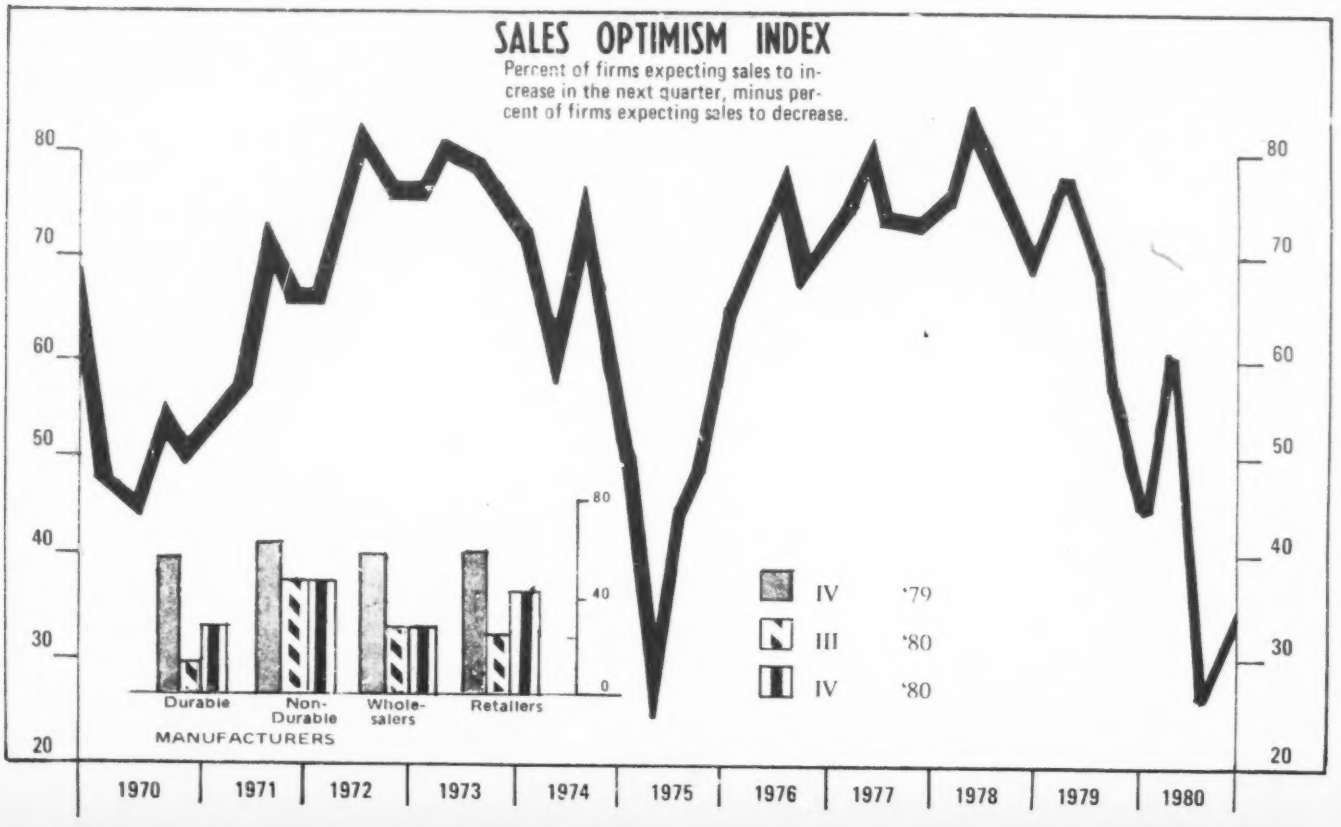
V-21 No. 4

C 3150-4 U

BUSINESS OPTIMISM RECOVERS SLIGHTLY IN LATEST D&B SURVEY

NEW YORK, October 23--Taking a turn for the better, business optimism recovered slightly from a five-year low in the latest Dun & Bradstreet Survey of Business Expectations. But, the modest size of the improvement indicates that upward progress may be sluggish. Among the 1,429 interviewed about their appraisal of fourth quarter 1980 prospects, confidence about sales perked up appreciably more than about profits. There was little change in the outlook of these leaders regarding inventories and employment.

The Sales Optimism Index (the percentage expecting increases minus the percentage expecting decreases) rose 8 points to 34 after sinking to 26 in the preceding survey. Still, the index lagged 22 points short of the year-ago reading of 56 in the comparable quarter. The brightening outlook was concentrated among durable goods manufacturers, up to an index of 26 from a dismal 11 a quarter earlier, and among retailers where there was



a rebound to 42 from 27.

As third quarter profits dropped sharply, led by the automotive industry, and inflationary costs persisted, the Profits Optimism Index nudged up only 4 points to 22 from 18, which was little more than one-half the reading of 40 in the comparable quarter last year. Again, on the bottom line as well as on sales, makers of durable goods and retailers accounted primarily for the slightly cheerier note. In contrast, the Profits Optimism Index for non-durable goods manufacturers faded to 29, the lowest ebb since the second quarter of 1975.

Some 46 per cent of the leaders in manufacturing anticipated a rise in new orders, bettering slightly the 42 per cent in the previous survey. Yet, this percentage remained the second lowest since '75. Contrasting trends prevailed in the two segments of manufacturing as a rising portion of durable goods makers looked for a step-up in orders but a diminishing number of non-durable goods makers expressed that view.

On inventory levels, the executives interviewed held firm to expectations voiced in the preceding survey, with 36 per cent predicting an increase and 39 per cent no change. Manufacturers in non-durable goods industries were most likely to predict heavier stocks, 44 per cent in all and wholesalers the least likely, at 33 per cent. In all categories except non-durable goods manufacturing, considerably fewer anticipated a build-up in inventories than at the same time a year ago.

Despite reports of a rise in employment in the third quarter, the executives questioned about fourth quarter employee rosters did not shift their sights from projections in the previous quarter. Some 16 per cent expected to add to payrolls vs. 14 per cent, and 69 per cent expected no change vs. 68 per cent. The only noteworthy brightening of employment prospects occurred among manufacturers of durable goods--the percentage expecting to pare rosters shrank to 19 from 27 per cent in the third quarter.

Higher price tags were anticipated by 77 per cent of the respondents, an edge above the 73 per cent in the previous round of interviews but still below the 84 per cent in the second quarter of 1980. As in all quarters this year, durable goods manufacturers had the smallest proportions foreseeing a hike in their prices.

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3. BUSINESS EXPECTATIONS

SURVEY OF BUSINESS EXPECTATIONS
Conducted by Dun & Bradstreet

WHAT BUSINESS EXECUTIVES EXPECT FOR THE
FOURTH QUARTER OF 1980 COMPARED WITH THE FOURTH QUARTER OF 1979

(Interview Period: August 6-20, 1980)

			All Concerns	Total Manufacturers	Manufacturers Durables	Manufacturers Non-Durables	Wholesalers	Retailers
	Number Reporting		1429	715	475	240	428	286
Net Sales	Per Cent Reporting	(Increase	55	55	51	63	52	58
		(No Change	24	23	24	21	25	26
		(Decrease	21	22	25	16	23	16
	Number Reporting		1397	697	458	239	420	280
Net Profits	Per Cent Reporting	(Increase	45	46	45	49	42	46
		(No Change	32	28	26	31	36	34
		(Decrease	23	26	29	20	22	20
	Number Reporting		1424	711	468	243	429	284
Selling Prices	Per Cent Reporting	(Increase	77	74	71	79	79	80
		(No Change	20	23	26	18	17	19
		(Decrease	3	3	3	3	4	1
	Number Reporting		1417	708	467	241	426	283
Level of Inventories*	Per Cent Reporting	(Increase	36	38	34	44	33	38
		(No Change	39	36	38	33	44	39
		(Decrease	25	26	28	23	23	23
	Number Reporting		1419	707	466	241	427	285
Number of Employees*	Per Cent Reporting	(Increase	16	20	21	20	9	15
		(No Change	69	63	60	67	78	71
		(Decrease	15	17	19	13	13	14
	Number Reporting			653	437	216		
New Orders	Per Cent Reporting	(Increase		46	46	46		
		(No Change		33	31	38		
		(Decrease		21	23	16		

*End of Quarter

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